

PRIMETIME PROPERTY HOLDINGS LIMITED
UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS 2021

HALF YEAR TRADING HIGHLIGHTS

- Operating expenses cut by 10% YOY
- Pinnacle Park is 80% let with another 10% under offer
- Excellent tenant retention rates during tough economic conditions
- Group vacancy levels down from 5% at prior year end to below 3% currently
- New retail development in Lobatse on schedule to complete in Q4 with 95% of the space now let
- Group is well positioned for future growth off its existing land bank



PrimeTime Property Holdings Limited
 ("PrimeTime" or the "Company") Share code: PrimeTime ISIN: BW 000 000 0603
 Incorporated in the Republic of Botswana on 29 August 2007
 Company No. BW00000877365

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 28 FEBRUARY 2021

	Interim results six months to 28-02-2021 Pula	Interim results six months to 29-02-2020 Pula	Audited results year to 31-08-2020 Pula
Revenue			
Contractual lease revenue	75 053 456	78 160 379	149 480 099
Rentals straight line adjustment	2 133 749	715 681	4 007 265
Rental income	77 187 205	78 876 060	153 487 364
Other operating revenue	12 487 187	12 901 969	25 733 765
Operating expenses	(32 734 155)	(36 176 293)	(67 890 484)
Exchange differences on translating foreign denominated balances	(20 946 334)	6 513 105	11 308 154
Ground lease straight line adjustment	-	-	(20 368)
Profit from operations before fair value adjustment	35 993 903	62 114 841	122 618 431
Fair value adjustment	-	-	(61 407 737)
Profit from operations	35 993 903	62 114 841	61 210 694
Interest income	317 111	1 782 248	1 656 272
Interest expense	(25 374 501)	(26 492 705)	(53 270 796)
Profit before taxation	10 936 513	37 404 384	9 596 170
Taxation	(5 500 130)	(2 711 477)	(23 721 235)
Profit for the period/year	5 436 383	34 692 907	(14 125 065)
Other comprehensive income/(loss)			
<i>Items that may subsequently be classified to profit or loss</i>			
Exchange differences on translating foreign operations	3 227 774	222 682	(7 930 141)
Other comprehensive income/(loss)	3 227 774	222 682	(7 930 141)
Total comprehensive income/(loss) for the period/year	8 664 157	34 915 589	(22 055 206)
Earnings per linked unit (thebe)	2.22	14.18	(2.30)
Distribution per linked unit (thebe)			
Debt interest per linked unit	5.26 4 months	6.32 4 months	15.78 12 months

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2021

	28-02-2021 Pula	29-02-2020 Pula	Audited 31-08-2020 Pula
ASSETS			
Non-current assets	1 618 438 020	1 622 696 668	1 615 268 534
Investment properties	1 478 655 461	1 503 113 614	1 495 493 677
Work in progress	78 742 100	63 867 836	60 510 472
Rentals straight-line adjustment	61 040 459	55 694 851	59 264 385
Ground lease straight-line adjustment	-	20 367	-
Current assets	60 103 966	91 821 718	59 866 391
Amount due from related parties	3 559	-	3 912
Trade and other receivables	16 532 934	10 183 340	17 032 661
Rentals straight-line adjustment	7 541 581	4 086 304	7 388 519
Taxation receivable	1 563 815	2 071 208	1 563 815
Cash and cash equivalents	34 462 077	75 480 866	33 877 484
Total assets	1 678 541 986	1 714 518 386	1 675 134 925
EQUITY AND LIABILITIES			
Total equity and reserves	715 598 124	791 742 095	706 933 967
Stated capital	14 242 773	14 242 773	14 242 773
Debentures	323 329 682	323 329 682	323 329 682
Reserves	357 475 011	433 300 971	361 679 480
Debt interest reserve	20 550 658	20 868 703	7 682 032
Non-current liabilities	650 497 021	727 312 542	612 390 301
Deferred taxation	50 584 292	46 087 217	50 337 777
Long term borrowings	597 071 297	681 225 325	559 000 516
Lease liabilities	2 841 432	-	3 052 008
Current liabilities	312 446 841	195 463 749	355 810 657
Trade and other payables	17 839 458	22 164 378	26 548 952
Amount due to related parties	1 534 596	1 728 081	5 437 263
Current portion of long-term borrowings	273 707 270	169 522 971	314 913 139
Lease liabilities	188 107	-	188 433
Deferred revenue	2 682 556	2 048 319	4 432 150
Bank overdraft	15 785 059	-	-
Taxation payable	709 795	-	4 290 720
Total liabilities	1 678 541 986	1 714 518 386	1 675 134 925

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2021

	28-02-2021 Pula	29-02-2020 Pula	Audited 31-08-2020 Pula
Net cash flows from operating activities	11 163 940	54 981 468	112 370 403
Net cash used in investing activities	(21 559 720)	(118 780 359)	(158 810 315)
Net cash (used in)/from financing activities	(28 720 491)	67 098 829	30 395 913
Net (decrease)/increase in cash and cash equivalents for the period/year	(39 116 271)	3 299 938	(16 043 999)
Cash and cash equivalents at the beginning of the period/year	33 877 484	74 866 166	74 866 166
Effects of exchange rate on the cash held in foreign currencies	23 915 805	(2 685 238)	(24 944 682)
Cash and cash equivalents and the end of the period/year	18 677 018	75 480 866	33 877 484

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 28 FEBRUARY 2021

	Stated capital Pula	Linked unit debentures Pula	Accumulated profits Pula	Foreign currency translation reserve Pula	Debt interest & reserve Pula	Total Pula
Balance at 1 September 2019	14 242 773	323 329 682	416 456 607	(2 609 336)	10 299 794	761 719 520
Total comprehensive loss for the year	-	-	(14 125 065)	(7 930 141)	-	(22 055 206)
2019 final debenture interest paid	-	-	-	-	(10 299 794)	(10 299 794)
2020 interim debenture interest paid	-	-	(30 923 846)	-	-	(30 923 846)
2020 final proposed interim debenture interest	-	-	(7 682 032)	-	7 682 032	-
Taxation attributable to debenture interest	-	-	8 493 293	-	-	8 493 293
Balance at 31st August 2020	14 242 773	323 329 682	372 218 957	(10 539 477)	7 682 032	706 933 967
Total comprehensive income for the period	-	-	5 436 383	3 227 774	-	8 664 157
2021 interim debenture interest proposed	-	-	(12 868 626)	-	12 868 626	-
Balance at 28 February 2021	14 242 773	323 329 682	364 786 714	(7 311 703)	20 550 658	715 598 124

EXPLANATORY NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements have been prepared applying the recognition and measurement criteria in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee, and as a minimum contain the information required by International Accounting Standard 34 - Interim Financial Reporting. The principal accounting policies applied in the interim reporting are consistent in all material respects with those adopted in the previous financial year, except for the adoption of the revisions in the standards which have not had a material impact on the consolidated financial statements. In the preparation of the consolidated

summarised financial statements, the Group has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities. These assumptions were applied consistently to the consolidated financial statements for the year ended 31 August 2020.

2. SEGMENTAL REPORTING

The Group's business activities are concentrated in the segment of property rentals and are concentrated within the geographical regions of Botswana, Zambia and South Africa. The geographical segmental information is outlined below:

	28-02-2021 Pula	29-02-2020 Pula	Audited 31-08-2020 Pula
Contractual lease revenue			
Botswana	51 576 379	50 310 351	96 967 757
Zambia	19 077 656	25 127 729	46 333 026
South Africa	4 399 421	2 722 299	6 179 316
	75 053 456	78 160 379	149 480 099
Segment profit/(loss)			
Botswana	433 400	34 002 338	63 972 681
Zambia	3 300 218	(2 234 434)	(70 506 785)
South Africa	1 702 765	2 925 003	(7 590 961)
	5 436 383	34 692 907	(14 125 065)
Non-current assets			
<i>Investment properties</i>			
Botswana	902 867 220	844 167 793	900 834 078
Zambia	487 658 533	551 114 280	511 158 497
South Africa	88 129 708	107 831 541	83 501 102
	1 478 655 461	1 503 113 614	1 495 493 677
<i>Work in progress</i>			
Botswana	78 742 100	63 867 836	60 510 472
Zambia	-	-	-
South Africa	-	-	-
	78 742 100	63 867 836	60 510 472
Total liabilities			
Botswana	787 138 742	739 794 990	785 930 700
Zambia	122 262 004	130 583 916	132 574 389
South Africa	53 543 117	52 397 385	49 695 867
	962 943 863	922 776 291	968 200 956

3. CAPITAL COMMITMENTS

Lobatse Crossing, the retail centre at Plot 14076, Lobatse was in progress at the period end and the total estimated cost to complete as at 28 February 2021 was P64m.

CHAIRLADY AND MANAGING DIRECTOR'S REPORT

When analysing this period's results it is important to read the foreign exchange differences recorded in the Statements of profit or loss with caution. A large loss has been recorded in the current period coming off the strengthening of the Pula against the USD in the six months since August 2020. It recovered to 10.8 pula to the dollar off 11.4 at the prior year end. With the inter-company loan from Botswana recorded in USD movements in this exchange rate can cause large unrealised profits or losses. An analysis of the underlying operating profits during this interim period shows a slight decline of 3% compared to the pre-covid period of February 2020. Contractual rental income is slightly down 4% year-on-year. Management views both of these indicators as a positive result given the tough economic conditions being navigated at the moment.

Focusing on income, the first 6 months of this financial year includes a full contribution to revenue from the two new properties acquired in South Africa during the course of the comparative prior period, as well as some revenue from the new Pinnacle Park development in Setlha which achieved practical completion late August 2020.

The Group vacancy rate has normalised off the 5% recorded at the end of the last financial year to below 3% at this period end. The main contributors to this are our Zambian properties where vacancies have dropped from 11.5% to 3.5% in this 6-month period. The Group continues to pursue its strategy of tenant retention and still provides rental relief to those affected by Government restrictions on trading. Several leases have been regeared throughout the portfolio to keep key tenants in our properties, with increased efforts directed towards debt collection where required. Vacancies let include those at Morula House in the Gaborone CBD and the Chirundu Centre in Zambia; both of these properties are now fully occupied. The lettings at Pinnacle Park have exceeded our expectations in these tough trading conditions with 80% now let and another 10% under offer. Delays with tenant fit-outs have resulted in this property not contributing to these results as originally budgeted, but it is now on track to perform in the second half of this financial year.

Notable renewals during this time include AFA at AFA House in the Gaborone Fairgrounds and G4S at their Botswana Head Office. G4S Zambia have also been secured on a new 10-year lease and a cash centre at their Lusaka premises has just been completed which will contribute to revenue in the second half of the financial year. A refurbishment of the ex-Mma Bolao shop at Sebele Centre is also complete and we eagerly await the opening of Rhapsody's there in the very near future.

PROSPECTS AND OUTLOOK

While we cannot pretend that trading conditions are not still challenging, we are seeing positive signs on the ground such as increased occupancy, good tenant retention and strong demand for our new developments. Cost cutting measures are also bearing fruit and our mix of fixed and variable interest rates has allowed the Group to benefit from cuts in interest rates over the last 12 months.

We continue to receive support from our funders and our program of renewing/replacing maturing debt is on track. This will continue into the next financial year to achieve our ultimate goal of lengthening and spreading the tenures.

In terms of development pipeline, we will deliver the new Lobatse Crossing retail centre in Q4 of 2021. With 95% of the space already taken up this is forecast to be a great success. We still hold a landbank which will crystallise into a major extension to our Boiteko Mall in Serowe, Phase II of Prime Plaza in the Gaborone CBD and additional office space at Pinnacle Park in Setlha, once the funding model has been secured. As these projects are already backed by strong tenant demand and commercial fundamentals, they are on our immediate radar to bring to fruition.

By order of the Board

P Matumo (Chairlady)
Gaborone, 12 May 2021

A L Kelly (Managing Director)